GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4129
ANSWERED ON:09.08.2002
EXCISE DUTY ON AIDS
DR. KIRIT SOMAIYA

Will the Minister of FINANCE be pleased to state:

(a) whether in the recent Budget, Excise Duty on AIDS medicines have been reduced by 16 per cent;

(b) if so, whether their reduction in Excise Duty would percolate to common consumers; and

(c) if not, the efforts/steps proposed to be taken by the Union Government to reduce the prices of AIDS medicines in the interestof the common masses?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N.RAMACHANDRAN)

(a) In this year`s budget, certain AIDS medicines have been fully exempted from excise duty.

(b) & (c) The prices charged to the consumers are determined by market forces of demand and supply and depend on various factors like cost of inputs, R&D costs, product quality, sales promotion cost, trade commission, freight charges and taxes. There is no specific provision in excise laws for passing on the reduction in duty to the consumers. The prices of AIDS medicines are notunder the control of the Government.